



MOIL LIMITED
(A Govt. of India Enterprise)



52nd Annual Report
2013-2014

Adding Strength to Steel

VISION

& MISSION OBJECTIVES



MOIL LIMITED
(A Govt. of India Enterprise)

VISION / MISSION

- To become one among the best manganese mining companies in the world, through utilization & upgradation of skills/talents available.
- To globally expand the activities of the company in all possible areas keeping in view the value addition, through joint ventures/technology transfer.

OBJECTIVES

- To maintain the status of market leader in manganese industry in India.
- To generate adequate surpluses and ensure best returns to the satisfaction of all stake holders.
- To maintain quality of manganese ore and related products at all stage and enhance total customer satisfaction through prompt delivery of quality materials and services.
- Through R&D and adoption of new technologies, to diversify and modernize, mining and beneficiation methods for upgrading low & medium grade ores and achieve growth through value addition.
 - (a) To improve productivity, capacity utilization and cost effectiveness through optimizing both human and physical resources.
 - (b) To explore all possibility of cost effective power services for Ferro manganese plants.
- To make mining areas clean, green and eco-friendly.
- To strive for a zero accident rate, by further improving safety practices.
- To ensure a high quality of life to the employees and other stake holders in the vicinity of the industry.

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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green initiative in the Corporate Governance" by allowing paperless Compliances by the Companies and has issued circulars stating the service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participant. Members who hold shares in physical form are requested to register the same with MOIL Limited or our R&T Agent (M/s Bigshare Services Private Limited) to enable the Company to send the Annual Reports through e-mail instead of physical form.



BOARD OF DIRECTORS



Shri G.P. Kundargi
Chairman-Cum-Managing Director

GOVERNMENT DIRECTORS



Shri Lokesh Chandra



Shri Apurva Chandra

INDEPENDENT DIRECTORS



Ms. Sunanda Prasad



Dr. A. K. Lomas



Shri J. P. Dange



Shri G. S. Grover

FUNCTIONAL DIRECTORS



Shri A.K. Mehra
Director (Commercial)



Shri M.P. Chaudhari
Director (Finance)



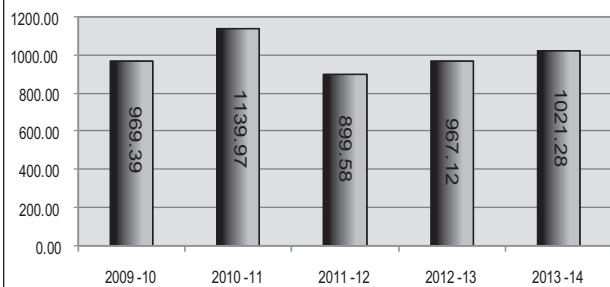
Shri A.K. Jha
Director (Prod. & Plng.)

PERFORMANCE AT A GLANCE

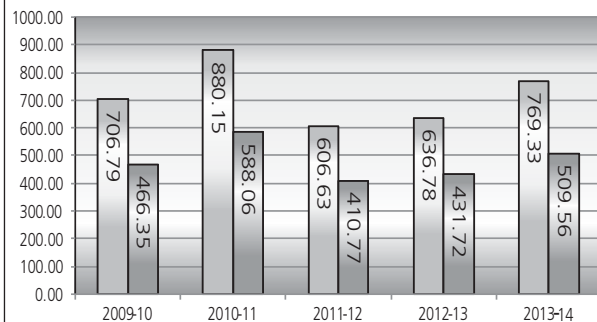
Particulars	2013-14	2012-13	2011-12	2010-11	2009-10
Financials (₹ in crores)					
Net sales	1021.28	967.12	899.58	1139.97	969.39
Other income	303.32	235.27	203.32	145.28	129.92
Total income	1324.60	1202.39	1102.90	1285.25	1099.31
Gross margin	804.51	669.82	636.54	912.66	732.09
Profit before tax	769.33	636.78	606.63	880.15	706.79
Profit after tax	509.56	431.72	410.77	588.06	466.35
Dividend	126.00	92.40	84.00	117.60	94.08
Share capital	168.00	168.00	168.00	168.00	168.00
Reserves and surplus	2959.33	2597.64	2273.31	1960.29	1509.37
Networth	3127.33	2765.64	2441.31	2128.29	1677.37
Borrowings	0.00	0.00	0.00	0.00	0.00
Gross block	510.07	479.91	422.58	396.46	357.03
Working capital	2805.27	2485.50	2184.36	1892.81	1471.27
Capital employed	3054.14	2734.45	2398.06	2097.29	1654.98
Important ratios					
Profit before tax to capital employed %	25.19	23.29	25.30	41.97	42.71
Profit before tax to sales %	75.33	65.84	67.43	77.21	72.91
Debt- equity ratio	0.00	0.00	0.00	0.00	0.00
Earnings per share (₹) (on face value of ₹10)	30.33	25.70	24.45	35.00	27.76
Contribution to exchequer (₹ in crores)					
Income tax	260.87	213.84	204.01	303.43	246.12
Dividend distribution tax	21.87	14.99	13.76	19.53	15.77
Sales tax and VAT	26.75	23.72	21.85	28.37	22.55
Royalty and cess	39.78	36.38	33.10	43.50	34.69
Excise duty	7.91	7.91	6.10	5.34	2.93
M.P. road cess	17.81	17.17	15.59	24.52	18.48
Total	374.99	314.01	294.41	424.69	340.54
Production					
Manganese ore (MT)	1134508	1138895	1070717	1150742	1093363
E.M.D. (MT)	923	786	714	805	1150
Ferro manganese (MT)	10042	9210	8694	9081	9555
Electricity from wind mills (KwH)	33206045	37545155	33022835	31039998	33101066



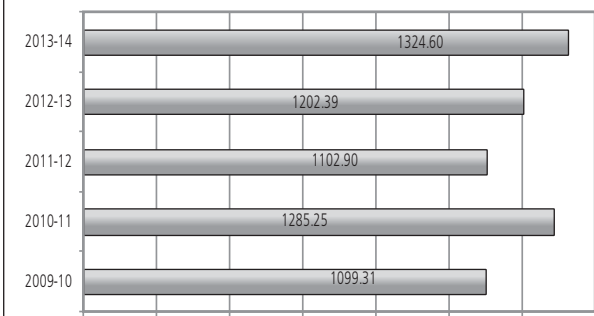
Net Sales (₹ In Crores)



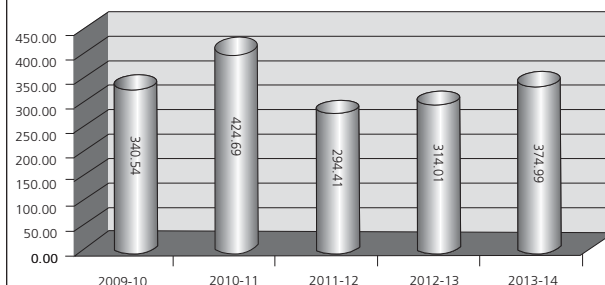
Profit before Tax ₹ in Crores Profit after Tax (₹ in Crores)



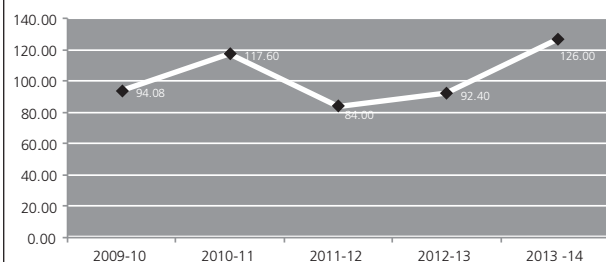
Total Income (₹ In Crores)



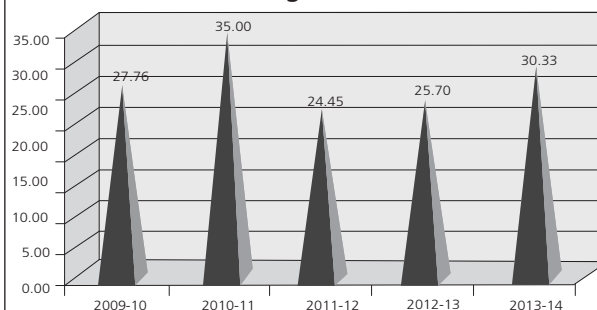
Contribution to Exchequer (₹ In Crores)



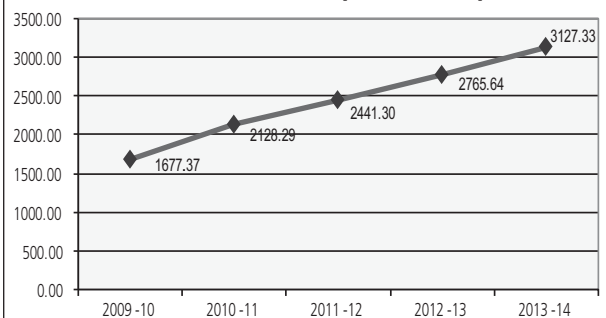
Dividend (₹ in Crores)



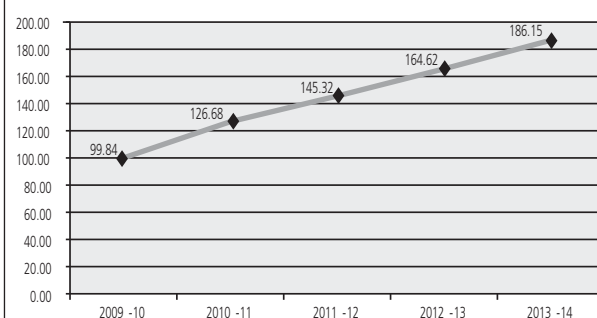
Earning Per Share (in ₹)



Networth (₹ In Crores)



Book Value Per Share (in ₹)





CHAIRMAN'S STATEMENT

Dear Shareholders,

I feel extremely privileged and delighted in communicating with you on the occasion of 52nd Annual General Meeting and presenting Annual Report for the financial year 2013-14.

It is a matter of great pride that Government of India recognizing the excellent performance of your company, has upgraded MOIL from Schedule 'B' to Schedule 'A' company during the year. It has been possible only because of support of all its stakeholders and dedicated efforts put in by employees of the company.

I congratulate all employees, stake holders, associates and all others who have contributed in the success of this great organization.

The year 2013-14 has been an outstanding year for MOIL despite the fact that slow down in the entire economy continued during the year as the GDP growth is consistently below five percent.

The manganese ore prices have been under pressure throughout the year. Despite that, your company has been able to outperform the last year. With good marketing strategy and pricing policy, your company has been able to get about 12% higher sales realization at ₹ 8351 PMT in comparison to ₹ 7467 PMT previous year. However, availability and supply of High grade Manganese Ore in international market is still a major threat for manganese industry in the country.

Production of manganese ore has been at 11.35 Lakh tonnes in comparison to 11.39 Lakh tonnes during previous year. The company has been able to maintain almost the same level of production even though the production was badly affected by heavy and unprecedented rains during extended monsoon in central India.

The Company has recorded 5.60% higher sales turnover at ₹ 1021.28 Crores during the financial year 2013-14, as compared to ₹ 967.12 Crores in the previous year. The profitability of the company has also improved during the year and it has posted PBT and PAT of ₹ 769.33 Crores and ₹ 509.56 Crores, respectively, as against ₹ 636.78 Crores and ₹ 431.72 Crores last year.

MOIL is a dividend paying Company since many years and this year also it has already paid Interim Dividend @ 40%, i.e., ₹ 4.00 per Equity Share, in February, 2014. The Board of Directors of your Company has further recommended a final dividend @ 35%, i.e., ₹ 3.50 per Equity Share. Thus, total dividend for the year 2013-14 works out to ₹ 7.50 per equity share as compared to ₹ 5.50 per equity share last year.

Your Company always strives to attain highest level of Corporate Governance practices. Implementation of Integrity Pact, adoption of code of conduct and a well-defined Internal Control Framework add to the transparency of the Company's business practices. MOIL is complying with the Government Guidelines and listing agreements on Corporate Governance. However, filling up of vacant posts of Independent Directors is under process in the Ministry. A report on Corporate Governance compliances has been made part of the Directors' Report. I am pleased to inform that Department of Public Enterprises (DPE) has given EXCELLENT rating to your company for complying with various norms of Corporate Governance for the year 2012-13 and it is expected to get excellent rating for 2013-14 as well.

Being a good Corporate Citizen, your Company has always been on the forefront in extending its assistance for upliftment of the needy people of the society through development and improvement of the quality of life of internal as well as external stakeholders and society at large. Your Company has undertaken a number of CSR initiatives in the area of health, education, construction/renovation of roads and schools, water supply facilities, peripheral development, sports and culture, development etc., for community living in and around its area of operations as well as in other areas. The company spent a sum of ₹ 10.36 Crores on CSR activities during the year 2013-14.

With a vision to become one of the best manganese ore mining companies of the world and in order to meet the demand of Manganese ore in the steel industry and to remain market leader in Manganese ore production, your company has planned investments for development of its existing mines and for this it has taken up / proposed various projects like Deepening of



Production shaft and Holmes shaft at Balaghat mine, Sinking of first vertical shaft and Sinking of second vertical shaft at Ukwa mine, Deepening of vertical shaft and Sinking of second vertical shaft at Chikla Mine, Sinking of first vertical shaft and Sinking of second vertical shaft at Munsar mine, Sinking of first vertical shaft and Sinking of second High speed vertical shaft at Gumgaon mine.

As all you know, Government of Maharashtra has already approved grant of Prospecting License for an area of 597.44 hectares in the Nagpur and Bhandara districts and remaining areas are under process with them. The company has awarded the work of conducting Gravity-Magnetic Survey with 5000 stations over sanctioned prospecting license to establish sub surface ore body. Once ore body is established, the company will take up further action for drilling. It is expected that three new mines will be opened in future apart from the expansion of the working of the present mines which will add a quantum increase in production of MOIL.

The performance of manganese ore industry mainly depends on the performance of steel industry. India's per capita consumption of crude steel is about 60 Kgs compared to global average of about 214 kgs. India's steel demand will rise considerably once the economy moves upto the next round of investment in infrastructure industry.

Worldwide, the production of crude steel grew by 2.39% in 2013 to 1582 million tonnes from 1545 million tonnes in 2012 while India's steel production grew from 77.56 million tonnes to 81.21 million tonnes registering a growth of 4.71% during 2013. The world manganese production increased by 7.96% from 53.45 million tonnes approx in calendar 2012 to 57.705 million tonnes approx in calendar 2013, while in India the production fell by 7.66% from 2.22 million tonnes approx in 2012 to 2.05 million tonnes approx in 2013. In MOIL, production of manganese ore has been at same level at 11.35 lakh tonnes as against 11.39 lakh tonnes last year.

At present, your Company is the largest producer of manganese ore in the country with a share of about 50%. However, it is seen that India is importing large quantities of high grade manganese ore to the tune of 21.95 lakh tonnes per annum. With the projected demand of steel in the domestic market being 149 million tonnes by 2016-17 in the 12th Plan period, there will be very good opportunity for MOIL to increase production and also increase its market share. MOIL holds about 73.5 million tonnes of reserves and resources of manganese ore out of which about 44% are proven reserves. It is very well positioned to capitalize on India's steel demand growth given its dominant position, medium-to high-grade ore reserves, centrally located mines, low cost of production and strong customer ties.

I am sure that policy of Government of India on infrastructure development will boost the demand of steel in the country which in turn will increase the demand of manganese ore as well.

Your Company is one of the public sector enterprises in the country known for its continuous excellent performance and received MoU Excellent rating for the year 2012-13 and received highest rating among all PSUs in the Steel Ministry, i.e, SAIL, NMDC, RINL. The Company has been getting national /regional recognition for its good works in almost all the fields of its activities. During the year, it has received some prestigious awards and recognitions like upgradation of the company to Schedule 'A' company, National Quality Circle Award, Corporate Governance Excellent rating, Corporate Excellence award, ISO certifications of plants, etc.

Your Company is in the process of searching good mining property outside the country and has invited open ended expression of interest for potential investment opportunities, primarily for manganese ore and other minerals both within India and globally. Your Company, being a debt free Company with good cash reserve, is very well poised to grab any opportunity for brown field as well as green field projects.

I would like to take this opportunity to thank the Government of India, Ministry of Steel, State Governments of Maharashtra and Madhya Pradesh, our valued customers, Company's bankers, suppliers and all MOILIANS for their great contribution to Company's performance. At the same time, I wish to acknowledge the valuable guidance given by the Board of Directors of the Company without which it would have not been possible to lead the Company in the growth direction. I look forward to continued support and commitment of all stakeholders to Company's reaching new heights and enhancing stakeholders' value in coming years.

G. P. Kundargi

(Chairman-cum-Managing Director)

NOTICE

NOTICE IS HEREBY GIVEN THAT 52nd Annual General Meeting of the Members of MOIL Limited will be held on Saturday, the 30th August, 2014 at 11:30 A.M. at MOIL Ltd., Golden Jubilee Hall, West Court Premises, In-front-of Z.P. (Ex-Govt.) High School, Katol Road, Nagpur - 440 013, to transact the following business:

ORDINARY BUSINESS

- (1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2014 and Statement of Profit and Loss Account for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
- (2) To declare Final Dividend for the Financial Year 2013-14.
- (3) To consider continuation of the appointment of Shri A.K. Mehra, Director (Commercial) (DIN: 01503228), as a Director liable to retire by rotation as per applicable provisions of the Companies Act, 2013, subject to terms and conditions as determined by the Government of India vide letter No. 1(6)/2006 RM-II dated 9.4.2007 and further order(s) in this regard, if any.
- (4) To authorise the Board of Directors to fix remuneration of statutory auditors of the Company for the financial year 2014-15 in compliance with the orders and directions of appointment by the Comptroller and Auditor-General of India.

Special Business

- (5) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ujwal P. Loya & Co., Cost Accountants, Nagpur, (ICWA Registration No. 101399), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the of the Company for the financial year ending 31st March, 2015, at a remuneration of ₹1,20,000/- (Rupees One Lakh Twenty Thousand) exclusive of service tax as applicable and reimbursement of actual travel and out-of-pocket expenses.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- (6) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to terms and condition as determined by the Government of India vide letter No. 1(6)/2012 RM-II dated 18.11.2013 and pursuant to the provisions of the Companies Act, 2013 effective from 1st April 2014, read with Listing Agreement and other applicable laws, the consent of the members be and is hereby accorded for continuation of Ms. Sunanda Prasad (DIN: 06748166), as a Non-Official Part-time Director of the Company, for a period of three years w.e.f. 18.11.2013 until otherwise decided by the Government of India through further orders.

- (7) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to terms and condition as determined by the Government of India vide letter No. 1(6)/2012 RM-II dated 18.11.2013 and pursuant to the provisions of the Companies Act, 2013 effective from 1st April 2014, read with Listing Agreement and other applicable laws, the consent of the members be and is hereby accorded for continuation of Dr. A.K. Lomas (DIN: 01377523), as a Non-Official Part-time Director of the Company, for a period of three years w.e.f. 18.11.2013 until otherwise decided by the Government of India through further orders.

- (8) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to terms and condition as determined by the Government of India vide letter No. 1(6)/2012 RM-II dated 18.11.2013 and pursuant to the provisions of the Companies Act, 2013 effective from 1st April 2014, read with Listing Agreement and other applicable laws, the consent of the members be and is hereby accorded for continuation of Shri G.S. Grover (DIN: 00057099), Non-Official Part-time Director of the Company, for a period of three years w.e.f. 18.11.2013 until otherwise decided by the Government of India through further orders.

- (9) To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to terms and condition as determined by the Government of India vide letter No. 1(6)/2012 RM-II dated 18.11.2013 and pursuant to the provisions of the Companies Act, 2013 effective from 1st April 2014, read



with Listing Agreement and other applicable laws, the consent of the members be and is hereby accorded for continuation of Shri J. P. Dange (DIN: 01569430), Non-Official Part-time Director of the Company, for a period of three years w.e.f. 18.11.2013 until otherwise decided by the Government of India through further orders.

By order of the Board of Directors

Neeraj D. Pandey
(Company Secretary)

Place : Nagpur

Dated: 1st August 2014

Regd. Office:

MOIL LIMITED,
MOIL Bhawan,
1A Katol Road,
Nagpur - 440 013

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Item No.5 is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.**
3. Brief Resume of the Directors proposed for appointment/re-appointment since last Annual General Meeting, as mandated under Clause 49 of Listing Agreement with the Stock Exchanges, is annexed hereto and forms part of the notice.
4. The Registrar of Members and Share Transfer Books of the Company will remain closed from 23rd August, 2014 to 30th August 2014 (Both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on and from 25th September, 2014 to the Members or their mandates whose names appear in the Company's Register of Members on 30th August, 2014 in respect of physical shares. In respect of dematerialized shares, the dividend will be payable to the beneficial owners of the shares whose names appear in the statement of Beneficial Ownership furnished by National Securities Depository Limited and Central Depository (India) Limited at the close of business hours on 22nd August, 2014.
5. Members are requested to:-
 - Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed, at the meeting.
 - Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip.
 - Quote the Folio/Client ID & DP ID Nos. in all correspondence.
 - Members, who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting
 - Note that due to strict security reasons, mobile phones, brief cases, eatables and other belongings are not allowed inside the Meeting Hall.
 - Note that no gifts/coupons will be distributed at the Annual General Meeting.